A Study of Social Media Influence on Stock Market Investment Decision with Special Reference to Latur District

Synopsis of Ph.D. Thesis

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Introduction:

Economic development of any country requires huge capital to achieve the required growth rates, as forecasted in their budgets. The stock markets play an important role in pushing forward the economic development process as they are among the major tools that channel the private and public savings to the various investment vehicles.

A stock market, which is also known as an equity market, stands for a collective approach of buying and selling various instruments publicly and/or privately. Volatility, which is an aspect of the stock market, makes analysing the market behaviour a challenging task

Social media big data captures the complex behaviour of a society. This behaviour and its relation to capital markets are a dominant part of the analysis in the field of behavioural science, which is why the behavioural finance framework serves as the primary motivation for the employment of social media big data in the field of capital markets.

Latur Background:

Latur has an ancient history. Ratnapur is the old name of Latur in the ancient history. Latur is a district in Maharashtra state of India. The Latur District comes under Marathwada region of Maharashtra. Latur district includes 10 Talukas particularly Ahmedpur, Ausa, Chakur, Deoni, Jalkot, Latur, Nilanga, Renapur, Shirur Anantpal and Udgir. Total Number of Villages in Latur District are 948 (2011 Census) and the population number is 245419 as per census of 2011. The area occupied by the Latur District is 7157sq.km.

Social media and its impact on Investor

The impact of social media applications has triggered a discussion of the “new communication democracy”. It is a tech breakthrough that has wrought fundamental

change throughout society. Social networking enables individuals to create and share content, build long-lasting relationships and far reaching communications and even escape reality. Today, we can send data from one end of the world to the other in a matter of seconds, use pictures, video, and text to share our real lives, our genuine identity. The rise of the media has made personal stories go public; local issues become global. It has brought benefits also in diversifying the flow of information in our life, and new technologies are continuing to gain ground every day, transforming our communication practices and possibilities

Need of Study:

Social media is a domain through which humans live and breathe today, prompting you to do everything from adopting a child to investing in an Stockmarket. In studies, almost half of all investors questioned responded that information from sources of social media like Facebook, Linkedin,Twitter,YouTube,Instagram etc, prompted them to conduct additional research on a specific industry.

Through social media, companies can share important news, updates, and events with their followers in real-time, ensuring that their message reaches a wider audience. Social media also provides an opportunity for companies to engage with their investors directly.

The role of social media in financial market is based on the theories of behavioral finance, and the investors' sentiments reflected in social media especially in the context of investments. Various financial firms and online brokers can utilize social media platforms for branding, advertisements, direct interactions with consumers, creating knowledge for professional knowledge and instant information , however the application of social media in the context of financial markets is rarely investigated under a theoretical framework in an online trading scenario, where investors are in-charge of their own destinies. Unlike dot-com boom, when like-minded investors were restricted to chat-rooms or message boards to discuss their favorite stocks, the modern online markets facilitates a number of niche social-media sites like 11 Twitter, Facebook, LinkedIn or media sites like YouTube to encourage rapid exchange of information about financial products.

Objectives of Study:

1. To analyze demographic profile of stock market investors for usage & adoption of social media platform.
2. To examine despite the benefits, social media poses some risks & challenges to investors.
3. To know whether the available social media content to financial investments as been an advantage or disadvantage.
4. To examine the factors influencing the usages of social media on investment decision making by the investors.
5. To assess the investor's awareness level of social media.

Hypothesis of the study:

Based on the literature review above, it appears that social media may impact the investment decisions of investors in the financial markets, especially in the stock markets. Therefore, this study will try to see if social media has an impact on the investment decision of Latur investors.
The research hypothesis is as follows:

H_0 : The information, online community behavior, and firm image on social media have no impact on investor's decisions.
H_1 : The information that is taken from social media has an impact on the investor's decisions.

Significance of the study:

Information on the share market is utmost requirement for the investors to invest in a small to large quantum. Since there are many information sharing systems are available like data of the companies available in the websites of stock exchanges, companies, financial markets sites and other blogs. Here social media holds the top position on the information sharing of the companies which passes to all the users instantly using the social media. Thus the usage of the social media should be the tool to integrate all the investors, stockbrokers, listed companies and other financial institutions. Investment Information is more important for the investors to make systematic investment decision.

In the past, successful decision-making was based on the knowledge garner from traditional media, trade publications, and personal connections. However, with the rise of social media, there is now a quicker, more efficient way of gathering data to influence investors' judgements. The number of social media users growing has attracted marketers to keep them updated with the social media than just sticking to the same old way of revealing themselves through the traditional media. Further, Stock brokers and Marketers have recognized that social media marketing has an important part in their marketing communication strategies.

Scope and Limitation of Study:

This research has some scope and limitation towards work on that. The geographical boundaries of Latur district (Maharashtra) have been determined for research work. The population of Latur district will be considered for the research. The following content gives the details about the scope and limitation towards research:

The present study aimed to understand the impact of social media on investment decision making among the investors in Latur district. The study helps in understanding the usage of social media in financial markets especially stock market. This study helps the investors to identify reasons how social media has changed their decision making process.

Geographical Scope: The geographical scope of the study will be Latur district of Maharashtra state which includes 10 Talukas: Ahmedpur, Ausa, Chakur, Deoni, Jalkot, Latur, Nilanga, Renapur, Shirur Anantpal and Udgir.

Operational Scope: This study will be definitely helpful in increasing the awareness for the usage of social media among the investors and stock brokers too. And also it helps the stock broker to formulate effective social media strategies for enhancing the awareness level of social media among the investors in Latur district.

Periodical Scope: The period for the research will be 2023-24 to 2024-26.

Limitation:

1. The Area of the study is limited to the investors of the Latur District only.
2. The validity and reliability of the data depends on the truthfulness of the responses given by the public.
3. Considering the busy nature and engagement of the active investors, there is a time constraint in the collection of survey data.

CONCEPTUAL AND OPERATIONAL DEFINITIONS

1. **Social media:** refers to the means of interactions among people in which they create, share, and/or exchange information and ideas in virtual communities and networks.

2. **The stock market:** refers to the collection of exchanges and other venues where the buying, selling, and issuance of shares of publicly held companies take place.

3. **Trader:** A trader is a person who buys and sells financial instruments (such as stocks, currencies or commodities) in a financial market.

4. **Investor:** An investor is any person or other entity (such as a firm or mutual fund) who commits capital with the expectation of receiving financial returns.

Review of the Literature:

The primary literature search aims to tighten our research topic on the social media influence on investors' decisions, specifically the information's relationship with an investment decision, the online community behaviour and investment decision, and the relationship between firm image and the investment decision.

Some of the fixed critical words aligned to the study include 'social media', 'invest', 'behavioural finance', 'investor sentiment', the firmly chosen searches that seemingly were relevant to our research.

Review paper on factors involving the usages of social media on investment decision making.

Dr. S. Kavitha, R.Bhuvaneswari, (January 2019), in his study entitled "A study on factors involving the usage of social media on investment decision making with reference to investors of selected stock broking houses in Coimbatore" have examined in his research where his main objective was to analyze the factors, namely Company news, Industry performance, Market updates, Economic factors and Investor sentiment which persuading the social media usage among the equity investors in Coimbatore District, Tami Nadu, India.

Naresh Reddy Bollampelly, (August 2016), in his study entitled "Understanding role of social media in investor reactions" have examined in his researchwhere his main objective was to understand the reasons and establish a connection as to what is expected and how to deal with such situations. Moreover, the survey results from investors from different countries, age groups and Investment experience. In a question on how they get their news feed, less than 5% said that they received their news from traditional sources, which means the 55% of people from financial news sites and the 40% from social media websites read from non-traditional sources.

Dr. Sahel Ali Al Atoom , Dr. Khaled Khalaf Alafi , Dr. Mazen Mohammad Al-Fedawi (2021), in their study entitled "The effect of social media on making investment decisions for investors in Amman Financial Market" have examined in their research where their objective was to identify the impact of social media on making investment decisions for investors in Amman Financial Market, by reviewing the most important economic and financial data and information that can be transferred by the new media, identify the most important and most new media influencing the decisions of investors in Amman Financial market, and identify the impact of new media on investors' decision making in Amman Financial market

Ekta Ashokkumar Mistri and Dr. Gurudutta P. Japee, (July- Sept. 2020) in their study entitled "Analyzing the role of social media in investment decision with special reference to South Gujarat" have examined in their research where their objective was to analyze the role of social media in investment decisions which means changes in investment pattern after the enhancement of role of social media to a greater extent. Moreover, the finding rejected the null hypothesis. So, it is concluded that there exists a significant relationship between gender of respondents and frequency of using social media.

Research Methodology:

The methods the researchers use in performing research operations. Methods which are used by the researcher during the course of studying his research problem are termed as research methods. Research Methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. A researcher not only need to know how to develop certain indices or tests,how to calculate the mean, the mode, the median or standard deviation (SD) or chi - square, how to apply particular research techniques, but they also need to know which of these methods or techniques, are relevant and which are not, and what would they mean an indicate.

Research Design:

This research focuses on investment pattern and impact of social media on investment decision of individuals investing in the stock market in Latur District. The study is descriptive And analytical in nature.

Data collection:

The following methods will be adopted for data collection.

Primary Data:

The Primary data are those which are collected a fresh and for the first time and thus happen to be original in character. There are several methods of collecting primary data, particularly in survey , descriptive researchers & social networking sites like Facebook, WhatsApp and LinkedIn is used for data collection.

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Secondary Data:

The Secondary data is collected from various available websites, books, journals, articles, electronic databases, newspapers, periodicals, case studies, industry reports,

and other published and unpublished sources for obtaining information.

Research Instruments:

The structured questionnaire will be considered as a main instrument to collect the primary data. Structure questionnaire will be framed after the discussion with supervisor. Analysis of primary data will be done through Statistical Package for the Social Sciences
(SPSS) software and MS Excel. There are various statistical tools and techniques like percentage, chi-square test, F-Test, T-Test, ANNOVA (If applicable), analysed data will be represent in thesis with the help of charts, graphs, diagrams etc.

Sampling Method:

The researcher has selected the sample from random sampling method and data willcollect with the help of a structured questionnaire.

Sample Unit:

The Latur District includes 10 Talukas, from each
Research Survey will be collected through 10 stock broking firm at located in Latur Districts.

Chapter Scheme:

The present research work will be divided into following chapters

No. of Chapter	Name of Chapters
Chapter 1	Introduction
Chapter 2	Research Methodology
Chapter	Review of Literature
Chapter 4	A Study of Social Media Influence on Stock Market Investment Decision
Chapter 5	Analysis and Interpretation of Data
Chapter 6	Findings and Conclusion (Bibliography)

The above chapter scheme is tentative.

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